

*Protects consumers from unfair practices*

(Joliet, IL) -

On Thursday, Congresswoman Debbie Halvorson voted to offer consumers a piece of legislation that limits a credit card company's ability to raise rates and charge unfair fees. The bill, introduced as the Credit Cardholders' Bill of Rights (HR) 627, helps to promote reform and consumer protection, and it also guards against abusive practices. It passed the House with a strong bipartisan majority of 357-70.

Praising the legislation, Halvorson said 11th district constituents continue to complain about the unfair treatment of credit card companies.

"Even responsible users have experienced ridiculous credit card fees and rate changes," said Halvorson. "There are many families who play by the rules and deserve to be treated fairly. That's what this bill is about - fairness and leveling the playing field."

The bill applies a common sense regulation that bans double-cycle billing, due-date gimmicks, and eliminates most retroactive interest rate hikes on existing balances - except when payments are more than 30 days late. Cardholders are also protected against arbitrary interest rate increases - and companies affected by the bill must fairly credit and allocate payments. They cannot issue credit cards to minors, charge for bill payment over the telephone, or charge over-the-limit fees unless a consumer opts-in in advance.

Consumers aren't the only group that benefits from passage of this legislation. The National Federation of Independent Business (NFIB), a leading association representing small business, praised the passage of the bill in the House. Federation Senior Vice President, Susan Eckerly commented that credit cards provide an important source of credit for many small business owners.

"According to a 2008 NFIB Small Business Poll, 74 percent of small employers have a business credit card," said Eckerly, "However our members are troubled by some of the business practices utilized by card companies."

She also points out that the bill contains a provision that protects the credit of small business owners, giving them enough notice to pay off debt and shop for competitive credit card offers - helping them continue to operate their business.

"We also are mindful that credit cards pay for approximately one of every six dollars of sales small businesses make. We believe this legislation does not unduly punish credit card companies in these tough economic times, but limits business practices that harm small business credit card holders."

The legislation will proceed to the Senate for debate.

"The same game-playing that went on with the stock market and credit default market on Wall Street continues to take place with credit cards. This bill offers Americans the information and protections needed to make good choices about their finances," added Halvorson. "Those who play by the rules when using credit cards deserve fair treatment - and I plan to do what it takes to ensure credit card users are treated fairly."